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Agenda item 113
Programme budget for the biennium 1998–1999

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

Fifteenth report: Question of East Timor

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the question of East Timor (A/C.5/53/63). During the consideration of this matter, the Committee met with representatives of the Secretary-General.

2. As indicated in paragraph 2 of the report, in its decision 53/472 of 25 May 1999, the General Assembly authorized the Secretary-General to enter into commitment up to $35 million, from all sources of funds, for the initial requirements of the United Nations activities related to East Timor, pending further action by the Security Council and the submission of a revised budget by the Secretary-General.

3. The Security Council, in paragraph 1 of its resolution 1246 (1999) of 11 June 1999, decided to establish the United Nations Mission in East Timor (UNAMET) until 31 August 1999.

4. In accordance with the overall agreement, signed on 5 May 1999, between the Governments of Indonesia and Portugal and the two supplementary agreements of the same date between the United Nations and the two Governments (A/53/951–S/1999/513, annexes I–III), and as decided by the Security Council in paragraph 1 or resolution 1246 (1999), the Mission will organize and conduct a popular consultation, scheduled for 8 August 1999, on the basis of a direct, secret and universal ballot, in order to ascertain whether the East Timorese people accept the proposed constitutional framework providing for a special autonomy for East Timor within the unitary Republic of Indonesia or reject the proposed special autonomy for East Timor, leading to East Timor's separation from Indonesia.

5. The Security Council also endorsed the proposal of the Secretary-General in his report of 22 May 1999 (S/1999/595) that UNAMET incorporate political, electoral and information components (S/RES/1246 (1999), para. 4).

6. The Advisory Committee notes from paragraph 1 of the report of 11 June (A/C.5/53/63) that the Secretary-General established a trust fund for the settlement of the question of East Timor to which Member States may channel voluntary contributions. The Committee was provided with the status of contributions to the trust fund as at 11 June 1999 (see annex to the present report).

7. With regard to voluntary contributions, it is the view of the Committee that the Secretary-General will require maximum flexibility in the use of funds. To this end, the Secretary-General should continue to seek untied contributions.

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8. The Advisory Committee notes from paragraph 6 of the report that the full cost of implementing UNAMET for the period from 5 May to 31 August 1999 is estimated at $52,531,100 gross ($51,340,600 net). The budget estimates includes provisions for 50 military liaison officers, 274 civilian police officers, 242 international staff, 425 United Nations Volunteers and some 3,645 local staff (see also A/C.5/53/63, annex I.C). Military personnel costs are estimated at $688,800, civilian personnel costs at $18,266,500, operational costs at $27,182,200 and other programmes costs at $5,203,100 (A/C.5/53/63, annex I.B).

9. The Committee was informed that, at the time of the hearings, 117 international staff and 20 United Nations Volunteers had arrived in the mission area, 52 international staff were on travel status and the remaining international staff and United Nations Volunteers would arrive in the mission area by the end of June; 58 civilian police officers had been authorized and were already in Darwin. The Committee notes that there will be some savings in the civilian personnel costs owing to the phased deployment of personnel to the mission area.

10. The Advisory Committee is aware that the activities of the Mission will have to be implemented within a rather limited time period. The Committee notes that the budget estimates were prepared under conditions of uncertainty, which have made the preparation of accurate estimates difficult. In this regard, the Committee has noted a number of instances where actual expenditures may prove to be lower than the estimates.

11. For example, for premises and accommodations, a provision is estimated for rental of 24 private houses for district offices at $3,500 per month for two months ($168,000). The Committee understands that this represents a sharp increase from the rates that prevailed prior to the arrival of the United Nations.

12. In other cases, there are some items in the budget which are difficult to justify, such as the cost for spare parts, repairs and maintenance of new vehicles calculated at $100 per vehicle per month ($130,200); the Committee questions such an estimate for vehicles under warranty.

13. Provisions for travel ($646,300) and for short-term charter flights to deploy the medical unit ($183,000) also appear high and are not convincingly explained. Similarly, provisions for external polling at locations of major East Timorese concentration outside East Timor and Australia ($1,714,900) are not sufficiently explained in the document.

14. In view of the uncertainties and time constraints that affected the preparation of the budget, the Advisory Committee does not recommend any reduction in the estimates proposed at this time. The Committee, however, believes that efforts should be made to achieve economies during the implementation of the operation and requests the Secretary-General to report on this in the context of the updated report to be submitted to the General Assembly by the Secretary-General during the early part of the fifty-fourth session of the Assembly.

15. The Advisory Committee points out that, as required by Article 17, paragraph 2, of the Charter of the United Nations, the expenses of UNAMET, as expenses of the Organization, are to be borne by the Members, as apportioned by the General Assembly. As such, and as has been emphasized by the Committee previously (A/53/7/Add.13, para. 6), the full costs of an operation or Mission must be shown in its budget and appropriated by the General Assembly regardless of the source of funding, it being understood that such voluntary contributions as are received would be credited in the manner required by the Financial Regulations and Rules of the United Nations.

16. In the case at hand, the approach adopted by the Secretariat is highly unusual since it proposed approval of a budget without specifying the section of the budget under which the expenditure would be authorized or, alternatively, requesting the opening of a special account as is done for mandated activities financed outside of the regular budget.

17. The Advisory Committee believes it inadvisable to wait until the fifty-fourth session of the General Assembly to determine this matter. Accordingly, it recommends that the Assembly take action now to determine the mode of financing so that the requisite amounts could be appropriated in accordance with the Financial Regulations and Rules.

18. In this connection, it is the view of the Committee, bearing in mind the size, scope and nature of the activity at hand, that it should be financed through a special account with a special scale of assessment.

Annex

Voluntary contributions for East Timor

(as at 11 June 1999)

	Thousands of United States dollars	*Date received*
1. Trust fund:		
(a) Contributions:		
Australia	6 502.0	30 April 1999
Portugal	10 000.0	5 May 1999
Norway	503.4	12 May 1999
New Zealand	200.0	24 May 1999
Finland	526.3	2 June 1999
Japan	4 000.0	8 June 1999
Subtotal	**21 731.7**	
(b) Written pledges:		
United Kingdom of Great Britain and Northern Ireland	1 000.0	24 May 1999
Japan	6 110.0	9 June 1999
Republic of Korea	200.0	9 June 1999
Subtotal	**7 310.0**	
(c) Other communications:	14 235.6	
Subtotal	**43 277.3**	
2. In-kind contributions (budgeted):		
Written pledges:		
Australia	3 438.7	
Total	**46 716.0**	

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Report of the Advisory Committee on Administrative and Budgetary Questions

Sixteenth report: Outline of the proposed programme budget for the biennium 2000–2001 for the International Trade Centre UNCTAD/WTO

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the outline of the proposed programme budget for the biennium 2000–2001 for the International Trade Centre UNCTAD/WTO (A/54/127).

2. As indicated in paragraph 1 of the Secretary-General's report, the General Assembly, in its decision 53/411 B of 18 December 1998, endorsed the revised administrative arrangements for the International Trade Centre (ITC) as set out in paragraph 11 of the report of the Advisory Committee (A/53/7/Add.3).

3. As indicated in the table following paragraph 7 of the Secretary-General's report, the outline shows total resources of 59,204,600 Swiss francs, with income indicated at SwF 810,000, that is, SwF 405,000 per annum, and the United Nations share of the costs at SwF 29,197,300. The Advisory Committee was informed that the income figure reflected was steady and attainable with the bulk of it being in Swiss francs.

4. The Advisory Committee was informed that the Committee on Budget, Finance and Administration of the World Trade Organization (WTO) considered and took note of the International Trade Centre outline on 16 June 1999. The WTO Committee expressed the view that the programme and budget document to be presented to both parent organizations in the autumn of 1999 should reflect both an administrative section and a functional or programmatic section. The latter should include a statement of objectives of the individual organizational units, as well as a citation of their outputs to be achieved by the end of the year.

5. The Advisory Committee recommends General Assembly approval of the amount of SwF 59,204,600 for the outline for the biennium 2000–2001. However, the Committee draws attention to paragraph 9 of the Secretary-General's report; the actual procedure followed has not been in conformity with the recommendations of the Committee as outlined in paragraph 11 of its report A/53/7/Add.3. In that paragraph (subpara. (a)), the submission of an outline in May of the year preceding the United Nations financial period would be followed by the submission to the General Assembly of an initial fascicle of the United Nations proposed programme budget based on that outline; the Advisory Committee points out that the fascicle for section 11B of the proposed programme budget for

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2000–2001 is not based on the outline, and, in fact, preceded it. The outline, which should have been received by the Advisory Committee at the beginning of May, was not issued until 8 June 1999. The Advisory Committee trusts that this deviation from the agreed procedure will be corrected for the next proposed programme budget.